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TECH & INNOVATION

Meta profits surge 35% as the AI spending spree continues

The tech giant and Facebook parent said it will ramp up AI and infrastructure spending next year

By **Rocio Fabbro** Published Yesterday | Updated Yesterday





Photo: Fabrice Coffrini (Getty Images)

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Facebook parent Meta Platforms ([META -4.14% ▼](#)) saw its profits surge 35% in the third quarter, as it looks to show investors that its multi-billion dollar investments into artificial intelligence are bearing fruit.

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Meta saw \$15.69 billion in net income last quarter, or \$6.03 per share, up from \$11.58 billion in the same quarter last year, the company reported after the markets closed on Wednesday. Wall Street had expected \$13.49 billion in profit, or \$5.21 per share, according to estimates compiled by FactSet.

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Revenue came in at \$40.59 billion, up 19% from \$34.15 billion a year ago and surpassing Wall Street's estimated \$40.19 billion for the quarter.

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“We had a good quarter driven by AI progress across our apps and business,” said Mark Zuckerberg, Meta founder and CEO. “We also have strong momentum with Meta AI, Llama adoption, and AI-powered glasses.”

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Shares of Meta were down 3% in after hours trading.

The company said it expects fourth-quarter total revenue to be in the range of \$45-48 billion. It lowered its full-year expense expectations to \$96-98 billion, and raised capital expenditure estimates to \$38-40 billion. Meta expects “significant capital expenditures growth in 2025” and “significant acceleration in infrastructure expense growth next year.”

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Analysts have said this this big spending is being driven in large part by burgeoning AI costs, including data centers, chips, and research and development.

Zuckerberg showed the impact of some of those investments at the company's annual Connect conference in September. Zuckerberg said Meta AI is on track to become the most-used AI assistant in the world by the end of this year, with almost 500 million monthly active users as of today. Meta added the AI assistant to its popular social media platforms, including Instagram and Facebook, in April.

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At the event, Zuckerberg also announced Llama 3.2, Meta's first open-source, multimodal large language model (LLM). The CEO said that the AI industry has reached an inflection point and that Llama has become "something of an industry standard."

This enthusiasm has fueled a strong year for the company, with shares up more than 70% year-to-date.

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Meta is also reportedly building its own search engine to supply answers to its chatbot, in an effort to reduce its reliance on Google (GOOGL -0.43% ▼) and Microsoft (MSFT -5.70% ▼), according to The Information. Bank of America (BAC -0.86% ▼) said in an Oct. 28 note that this would be “consistent with Meta’s long-term goal to reduce dependence on competitor platforms & technology,” and that it expects an announcement on new AI and search capabilities in Meta’s third-quarter earnings call.

Bank of America analysts added, however, that Meta’s search engine would “be at a data and web scraping disadvantage” compared to Google due to a “limited number of Meta AI users.”

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